THE WESTERN CAPITALIST TEXTILE TRADE: THE ROAD FROM THE PROTECTIVE SYSTEM TO LIBERALISM IN THE FIRST HALF OF THE 19th CENTURY

by

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The highly developed manufactory period – i.e. the time when manufactories play the leading role in the industrial production of the national economy – thrusts into prominence the industrial bourgeoisie, and, in addition, all forces which are interested in the development of a national capitalist industry in a state still having a feudal structure. These forces of independent capitalist development inevitably start on the road to realizing the historical tasks of the bourgeois nation: first they set as their aim *capitalist* development; the second is *independent* capitalist development. Namely capitalist development is nothing else but replacement of a state of feudal structure by one of bourgeois structure, substitution of feudal production relations with capitalist production relations. *This task is realized by the bourgeois revolution.* And the realization of *independent* capitalist development is nothing else but the creation of national independence in any country which was oppressed by another in the order of feudalism. *This is the reason why the era of the bourgeois revolution is at the same time the era of the struggle for national independence in the stage when capitalist development is taking shape.*

It is not our task to discuss this question in its general, historical aspects; but what we think to be our task is to speak of this question *concretely*, in its correlations to the *textile industry*. The mass basis of the development of the capitalist national textile industry is provided by the mass production of small commodities by the country's peasantry. But further possibilities of development are ensured only if the capitalist forms of production branching off from this root (scattered and centralized manufactories, rudimentary factory industry) are not destroyed, not ousted from the market, by the competition of a more developed external textile industry. And this danger is not a small one in circumstances where the textile industry occupies the leading place in the national economy of any country starting on the road to capitalism, i.e. *when the bourgeoisie of all countries puts on the agenda the development of the same industrial branch – the textile industry – nearly at the same time.* In such circumstances the question of national independence is by no means some principle

of theoretical character: its most practical contents are the protection of the home textile industry from outside dangers, and – secondarily – its supporting by domestic means. It is therefore that in this era national independence is manifest concretely in establishing protective tariff systems for textiles. We shall see later how the problem of the textile market – to protect the own market from the stronger, and to conquer external, weaker markets – determines the policy of states emerging at that time. "Within the bourgeoisie itself ... there are two different views dominating in connection with industry and trade" writes Engels.[1] "But it admits of no doubt that the party of protective and differential tariffs is incomparably the mightiest, the strongest in number and weight. And indeed, the bourgeoisie cannot support itself, consolidate itself, ... unless it fosters and protects its industry and trade by artificial means."

The case was not different in England by the time the home textile industry had emerged, developing manufactories had outpaced their competitors. The stormtroops demanding English protective tariffs and state subsidy for the industry were the owners of the textile manufactories, after the "glorious revolution" of 1688 these demanded a protective tariff for their own industry against the French and Dutch manufactories and they succeeded. Adam Smith wrote: "... more than any other class of workers, our woolen goods manufacturers succeeded in persuading legislation that the welfare of the nation depends on the success and expansion of their trade. Through the complete prohibition to import wool cloth from foreign countries, they obtained a monopoly against the consumer, and they even got another monopoly against the sheep-farmers and the wool-producers through a likewise complete prohibition to export living sheep and wool".[2] At the same time the state paid bonuses on the importation of anil, raw hemp and flax, and raw silk, while the exportation of these raw materials was prohibited under severe penalty.[3] But it was exactly the descendants of this burgeoisie, the industrial capitalists and owners of textile factories, who became the heroes of the propaganda against the protective system at a time when the English textile industry had outpaced all its competitors in the field of up-to-dateness, technical facilities, production capacity, etc. The Anticorn-law-league, the league against the corn duty, was formed in 1838 headed by Cobden, a textile manufacturer of Manchester. It was under the pressure of such demands that in 1845 Peel introduced "free trade", the free trade policy of England, with the purpose of inducing the trading partners to adopt a similar policy.[4]

Yet meanwhile the "protective tariff party", the most self-conscious and resolute group of industrial capitalists (textile manufacturers first of all), emerged in all advanced countries. In the *United States of America*, in the period preceding the War of Independence, this group formed not a "protective tariff" partly because of the British colonizers' measures that prevented all protection of home industries, but formed an alliance for the social protection of home industries, i.e. a boycott of the British goods. The result was considerable: British imports to the States dropped

to 37% in one year.[5] The boycott alliance comprised 11 of the 13 States, and created such an intense national feeling that those violating the boycott regulations sometimes had to face the retaliation with "the lashing pole, tar and feather".[6] The industrial capitalists of the young American post-war republic soon adopted the protective policy. Alexander Hamilton, a highly gifted statesman, took a stand for the industrial protective tariffs; his ingenious plan was to make the United States "in the image of Great Britain of that time"[7], i.e. to turn the States on the road of independent capitalist development. And despite the fact that Hamilton died young, and the petty bourgeois Jefferson of democratic aspirations was elected president of the States, the republic started on the road planned by Hamilton as a matter of necessity. Upon repeated demands of the American manufacturers, the import tariffs of industrial articles were raised to 15% in 1804, and after the 1812 war with Britain and the embargo, the practically realized prohibitive tariffs had the consequence that there was "such an extraordinary boom of American factories that they could satisfy not only home demands, but soon started exportation as well."[8] In 1828 – after some temporary reductions – the textile duty rates were raised further, to 40%,[9] which resulted in another industrial upswing. Friedrich List quotes a report of Massachusetts, one of the most advanced textile-industrial states, which reveals a considerable progress of the textile-industrial revolution.[10] And although from that time to the Civil War, the Democratic Party, the ruling party of the southern cotton-growing states, pursued a liberal customs policy, it was no longer able to make textile development in the north nonexistent.

The feudal foreign trade of *France* was determined by the customs policy of mercantilism in the 17th century, which with its import prohibitions and export subsidies was from the outset a policy of tariff war, waged also in practice with Britain, etc. It was nevertheless this policy that established at the time of Colbert, and particularly after Colbert, the 514 manufacturing units[11] which operated at the time of the revolution, and whose great majority belonged to the branch of the waving and spinning trade, and to the silk industry. Needless to say, the protective tariffs were exploited not only by the textile factories of the state, but also by private ones. In the constituent assembly of the French revolution, Goudard, a silk merchant of Lyons, demanded that all foreign goods should be prohibited, "Frenchmen should trade only with Frenchmen".[12] Indeed, the Convent pursued the policy of prohibitive tariffs, especially after 1793, after the declaration of war on Britain. Napoleon, who was a supporter of home industries, and ordered to hold industrial exhibitions for the first time in France in the first years of the 19th century, pursued not only the policy of protective tariffs, but by declaring and enforcing the continental blocade against the Britisch, among others practically created a complete prohibitive tariff system not only for the industry of France, but also of Germany. "Owing to the exclusive possession of the domestic market and the lifting of feudal restrictions, the French factories were much more prosperous at the time of the Empire than at any time

in the ancien régime".[13] As we shall see, it was especially the development of the textile industry that accelerated and formed the basis for the industrial revolution increasingly. The French protective customs policy was carried on during the restoration, even in the first decade of the reign of Napoleon III. The protectionist grouping in *Germany* – a natural process by that time – was made up by the "party" of the bourgeoisie interested in the economic growth of textile manufacturing. This "modern" bourgeoisie with its capitalist textile manufacturing was created by the Napoleonic continental blocade, because the antecedents – the old German linen factories – had been ruined completely by the British competition. "The protectionist party" writes Schmoller "has long demanded tariff protection for the mechanical spinneries".[14] The birth certificate of the German bourgeoisie was exactly the granting of tariff protection by the German states which still were – because of their feudal nature – mainly tied to agrarian interest. "... The Prussian government had to grant them protective tariffs already in 1818. It was by this Customs Act that the government officially recognized the bourgeoisie for the first time. It was admitted – although with a heavy heart and reluctantly – that the bourgeoisie had become a class that is indispensable for the country."[15] As a result of an incessant demand of this "protectionist party", the German Zollverein was formed in 1834 which was the fundamental safeguard for the development of the German big industry. F. List, the remarkable ideologist of this demand, concluded as a result of all this: "Germany has made considerable progress in all branches of industry, if these enjoy protection, particularly in the manufacturing of wool and cotton goods for everyday use whose importation from England has ceased altogether."[16] The textile-industrial revolution developed rapidly in Germany as an effect of all this. In the Hapsburg monarchy the mercantilist policy of the 18th century supported the development of industrial manufacturing. This helped in the considerable development of textile manufacturing in *Austria*, and particularly in *Bohemia*. Yet the protective system of the monarchy meant no more appreciation of the bourgeoisie than the hopeless struggle fought by Bruch for joining the Zollverein after 1849 in order to depress the Austrian protective tariffs. This effort sprang from the same roots as the Hapsburg idea of bringing about the pan-German unity under Hapsburg leadership. In this connection the commercial and industrial chambers of the Austrian-Bohemian bourgeoisie made declarations which "for the most part were patriotic effusions and considered the customs union as most necessary, but" – and this is the resistance which the bourgeoisie, the loser in the 1848 revolution, was cautiously offering to the victorious counterrevolution – "mentioned at the same time more or less industrial branches which decidedly would suffer from German industries if the customs frontier would be abolished altogether; as industries to be protected particularly, they mentioned beet sugar production, distilling, the iron industry, the making of silk goods and several cloths" writes a contemporary.[17] The customs union did not come about, the Hapsburgs remained outside the Bund.

The farther east we go, the later we see development of manufacturing in various countries, the later the modern protective tariff system was introduced to oust the western competitors, mainly the British. We do not discuss here the introduction in the 70's of the 19th century of monopolistic protective tariffs for protecting manufacturing industries. This period began in *Russia* in the first half of the 19th century. In 1821 Nesselrod introduced the "independent trading system" which essentially was a system of protective tariffs. This trend of development could unfold fully especially after the reform of 1861. *Japan*, having shifted from a semi-colonial status to the road of independent development, was able to cancel as a result of the 1868 bourgeois revolution the unequal foreign trade agreements not until 1894, when an efficient policy of protecting home industries was introduced.[18]

Thus in countries of independent capitalist development, the protective tariff policy serving the support of home industries emerged in the course of the manufacturing period as an aim of the bourgeoisie which strived after political – but at least economic – leadership. This policy was intended for protecting home manufacturing-production from the stronger foreign competitors. Consequently the protective tariffs tried to oust first of all the textile shipments of England – the "world's workshop" – from the home markets so that home industries should grow unhindered on these. Protective tariffs also resulted in a redistribution of the national income to the disadvantage of the home consumer, and the advantage of the country's bourgeoisie. Home prices are kept high with the help of such tariffs, such prices drain the purchasing power of the consumer of the domestic market, and cover the home producer's higher costs of production which result from an inferior home structure and poorer technical facilities. In this way home manufacturing can "compete" even with factories abroad. Thus the home owner of manufacturing units can, and does, accumulate major capital to the detriment of the consumer who pays a higher than rational price for the home product. Also industrial accumulation takes place in the textile branch first of all, just as the volume of production is the largest in the manufacturing units. *By redistributing the national income, the protective tariffs provide the basis for capital accumulation which is indispensable for bearing the costs of the industrial revolution. And because the most involved branch is the textile industry, the industrial revolution must take its course in this field first of all.*

The true significance in the development of textile manufacturing is the fact that it forms the starting-point of further revolutionary developments. All the factors that make necessary a *manufacturing large-industrial textile production*, also enforce *further technical progress in this industrial branch*. The extensive division of labour in a manufacturing-scale production, the breaking down of productive work to simple operations, permits the use of machines, and demands the advent of machines thereby. As is the case in the entire field of economy, needs become an imperative necessity to produce the articles wanted. Hence the industrial revolution took place not "by chance", and particularly not in the textile

industry, and still less in the British textile industry which was leading industrial development: the competition of workers employed in production, the incessantly growing demands of textile consumption, stimulated the producers – and, in general, all those who are in connection with the producing masses – to find novel and better means and methods of production. Thus, essentially, the industrial revolution takes place spontaneously as the effect of the law of value ruling the capitalist market, and along with large-scale, mass production, as the appendix of commodity production and the by-product of mental work connected with production. Thus it was inevitalbe that the industrial revolution took place in England of all countries, and in textile manufacturing there, – when unhindered development was ensured by protective tariffs and state subsidies to the other industries – *producing for the first time in the history of human economics the manufacturing industry namely that of textiles.*

Marx says of the industrial revolution: "... it is from the machine tool that the industrial revolution of the 18th century started".[19] "... if we look at the machine in its elementary form, industrial revolution starts not from *motive power*, but from that part of the machine which the English call a Working machine ... The working machine alone ... is decisive".[20] Thus it is not *abstract*, but *differentiated* work that is first revolutionized by the machine; and here lies the importance of textile manufacturing work when the industrial revolution inevitably breaks out in this very field. "In 1735 John Wyatt came forward with his spinning machine and declared the industrial revolution of the 18th century thereby."[21] From that time on the *industrial revolution started with the revolution in the textile industry in every independently developing country* where, as is known, the leading branch was the textile industry in the beginning. Apart from Robert and John *Kay*'s flying shuttle which made weaving quicker, the great industrial inventions served the mechanization of spinning work, giving expression to the correlation between timely needs and the trends of human research. *Hargreaves*'s spinning jenny, *Arkwright*'s spinning throstle, *Crompton*'s mule have revolutionized spinning, and eliminated thereby not only the disadvantage of spinning compared to weaving, but put weaving to the same disadvantage as spinning had been before. Invention of the power-loom was now put on the agenda: and indeed, *Cartwright* came forward with his machine. In this way the textile-industrial revolution took its course from 1764 to 1785 – in a mere two decades. It took place quietly, without much ado, but its importance went far beyond the consequences of noisy battles. If we take into account the advent of an improved power loom in 1804, and keep in mind 1785 when *Watt*'s steam engine was regularly used in spinning, we see that in this insular country the textile-industrial revolution was completed from the 60's of the 18th to the beginning of the 19th century. *Thus Britain's manufacturing industry got fully developed in the textile industry by the first half of the 19th century.* This was development by leaps and bounds: by this abrupt technical change, Britain became the "world's workshop", at least weaving and spinning shop. As a result of the revolution, produc-

tivity grew phantastically over that of the past, or over the contemporary continental rate. "In the English society ... the working day's productivity grew by 2700 per cent in 70 years, i.e. production was twenty-seven times higher in 1840 than in 1770", writes Marx.[22] This multiplier includes a somewhat higher share of spinning than of weaving, and also a share by the contributing peasant, homecrafts which still existed in England at that time. But this multiplier was certainly high enough for the continental bourgeoisie to feel safe only if making an industrial revolution of their own despite all protective tariffs.

But as concerns the industrial revolution which took its course extremely rapidly, in a few decades, in England,[23] there was in the background the *past of two centuries* of the manufactory era, its practice and experiments; and the manufacturers of the other countries did not want to pass this long school of inventing once more the spinning machine and power loom in their own regions. So they tried to achieve their own revolution on the soil of the English revolution; frankly spoken, they tried to get hold of the secret designs of English machines by resorting to the basest industrial intelligence tricks and thefts. If morals are involved at all in the ownership relations of the world of capitalism, it is difficult to decide which party was robbed worse: English textile capitalism from which the industrial secrets were stolen, or the textile capitalists of the other countries who suffered from the assaults of English textile-industrial competition breaking into their markets. In any case, history allows of no escape from the inevitable course of development: in order that big-industrial development, and all other possibilities of further development, be started, the picture outlined above was inevitable.

It was particularly the textile industrialists of the *United States of America* who spared no efforts to get hold of the designs of the English machines. Upon an advertisement of the Philadelphia Association in 1789 a textile worker named Samuel Slater went from Milford (England) to America, and eluding export prohibitions, made a drawing of the mule. In 1790 the textile factory of Pawtucket was equipped with machines made on this design, and this became the first modern American cotton spinning mill. Machines of the wool industry were built in similar ways in America by the English textile workers John and Arthur Shofield.[24] Needless to say, industrial intelligence work did not cease after this. In 1811 Francis C. Lovell of Boston got hold of the secret of the English power looms. The first American textile combine – integrating spinning and weaving – was built at Waltham (Massachusetts) in the same year.[25] The first mule was erected in Gand *(Belgium)* in similar ways in 1801.[26] From that time on, certain not too important towns began to grow rapidly on account of their textile factory. The Lievin-Bauwens factory, which was the first to employ such machines, had 220 workers in 1802, but this number grew to 10 000 by 1810. Textile works mechanized similarly in that town grew at a comparable rate.[27] Nicolas Schlumberger – who made the finest yarn of *France* in the early 19th century – erected his mule in Guebwiller (Alsace). He had learned mechanical spinning in

England, and made some improvements on the machine of his construction.[28] Napoleon, who wanted to ruin Britain also in the industrial field, – this was one reason for the continental blocade – supported the use of textile machines.[29] As Chaptal – minister of interior of Napoleon – writes, the most widely used textile machine in France – up to 1815 – was the mule. From the second quarter of the 19th century, first of all the jenny and the mule, were spreading legally, through purchase. The power loom followed gradually. The only – but most important – obstacle to this movement was that these hand-made machines were very expensive. But even so, the conditions for the textile industrial revolution in Central and East Europe were provided in this way. In *Germany*, mechanization of the textile industry gained momentum not until the 1830's, after the formation of the Zollverein. "Up to the middle of the century, the workers did weaving, even spinning, work at home for the most part, and without the use of machines as a matter of course", writes Werner Sombart.[30] In 1802, only one wool and one cotton spinning mill was operating in Prussia, and the first German mechanized flax spinnery was established in 1810. The slow rate of development appears from the fact that in 1846 the Prussian textile industry used not more than 452 000 wool, and not more than 170 000 cotton spindles.[31] In Germany – just as in *Austria* and *Bohemia* – the textile-industrial revolution (first in spinning, then in weaving) took place in the second half of the 19th century. For the continent – and especially for a backward Central and East Europe – *the 1855 Paris World Exhibition was of great importance, because there the first mechanically produced textile machines were displayed, which had been mass-produced at relatively low cost.* The efforts of the Central European textile industrialists to mechanize their production appears from the fact that the Austrian and Bohemian textile capitalists immediately launched a campaign for the duty-free importation of such machines and they succeeded in an incredibly short time, in one year and a half.[32] According to Jaroslav Purs, the textile-industrial revolution of Bohemia – which was the industrially most advanced country of the monarchy – was completed in the principal industrial districts and branches by the 50's of the 19th century.[33] Machines were used at an increasing rate in *Russia* in the 30's of the 19th century, "mostly in the cotton industry ... which became the best-developed industrial production branch in the first half of the 19th century in Russia and elsewhere"[34], but the industrial revolution actually unfolded only after the 1861 reform, in the 1870's and 80's. Only one-tenth of raw cotton cloth was produced manually, at home, in the 50 provinces of European Russia in 1879, nine-tenths were woven in factories.[35] In the other branches of the textile industry – wool and especially flax – the process of mechanization went on much slower.

The revolution which spread all over Europe and the leading capitalist countries overseas was attached so passively to the English machines only in respect of fundamental inventions: leading textile-industrial powers added their inventions and improvements. In America *Whitney* in-

vented the cotton gin in 1793 which greatly contributed to the expansion of the cotton fields by making cotton cheaper; and this was another stimulus for the development of the textile industry. The number of textile-industrial inventions grew in the US from year to year: the number of such patents was 473 in 1840, 602 in 1850, and 4819 in 1860.[36]

In France Jacquard invented in 1805 the machine weaving patterns in silk, and this revolutionized the silk industry. It is easy to see that it was not by chance that the English revolution was joined by the invention of the gin in America, the home of cottongrowing, and by the Jacquard loom in Lyons, the centre of the French silk industry. Here, too, the demands were working – and not without success – on the minds of the producers. The full play of the textile industrial revolution was greatly enhanced by inventions of textile chemistry which revolutionized the fields of dyeing and finish. Thus the revolution of the textile industry was materialized in full.

The manufactory period of independently developing countries gave rise to the national bourgeoisie, and to the burgeois revolutions: similarly, the protective tariff policy of the bourgeoisie assuming power – or at least sharing power with the landowning class – emerged everywhere in the wake of the revolutions. This policy made possible a rapid accumulation of manufactory capital – textile manufactories first of all – and covered the investment expenses of the industrial revolution which were immense by the standards of that time. (We do not include here the sources of accumulation which originated in the plundering of colonies, or economic exploitation.) The correlations between these economic phenomena are evident, and so are the correlations between economic and political events. The economic consolidation, social sweep and revolutionary role of the national bourgeoisie are the successive links of the same chain; the economic power of the national bourgeoisie was decisively provided in the beginning by the textile manufactories based on peasant homecraft; was increased by the protective tariff system in the textile industry; and was multiplied by the industrial revolution. The advent of textile factories was the consummation of the rule of capitalism.

Through the industrial revolution, which first took place in the textile branch, the textile industry became the first capitalist industrial branch based on factories. The textile-industrial revolution – which was the introduction to the general industrial revolution – accelerated capitalist development in the field of spinning and weaving considerably. Engels writes: "In England Watt, Arkwight, Cartwright and others started the industrial revolution as a consequence of which the centre of gravity of economic power was shifted completely. The economic power of the bourgeoisie now grew incomparably faster than that of the landowning aristocracy. Within the bourgeoisie proper, the plutocrats, the bankers, etc. were increasingly pushed into the background by the manufacturers."[37] A. Toynbee, describing the tremendous production increase in the textile industry as a result of the industrial revolution – in the fifteen years from

1788 to 1803 the cotton industry grew threefold,[38] – observes a similar social-economic change: "The class of the new capitalist enterpreneurs accumulated tremendous wealth".[39] It is obvious, and this should be stated here fortwith, that this change through which the industries, i.e. the capitalist industrialists, gained prominence in enrichment over agriculture and landoweners, elevated the textile factory owners to the leading position of all big industries. And it is only too natural that the advantages of this process were ripened first of all by these factory owners.

The advent of factory-scale production in the textile industry inevitably amplified the capitalist contradictions which were manifest already at the time of manufactories; both the positive and negative features of capitalist production were intensified more than ever before. The rapid enrichment of the textile industrialists is connected as a matter of course partly with the development of the forces of production, including the increase of manpower; on the other hand, however, it is connected *with the rapid rise of the working class as the most important social-political consequence of this development.* We shall see later on the manifestations of this contradiction in the increasing volume of textile production and the simultaneous, relative narrowing down of the home market, and the economic and social consequences of this contradiction. At present we are concerned with the upward stage of capitalism which is represented by the leading role of the textile industry, and we give an outline of the principal trend of this economic development.

As is commonly known, the textile industry – including peasant small commodity production – has a lot of potentials to become the leading branch in the initial stage of industrial development. It is this branch that has available the largest *number of skilled* (peasant spinner-weaver) *workers;* that has the largest *market;* that is the *most labour-demanding* in this stage of development; and so on. *And all this applies increasingly after the advent of the factory-based textile industry.* This development has given rise to what might be called *a new law of demographical changes* wherever it took place. According to Mac Culloch's calculations, almost one and a half million people made their living – directly or indirectly – on the cotton industry in 1834,[40] and according to Engels this large number grew one and a half times in ten years,[41] which meant 2.2 million people in the cotton industry. And here were further hundreds of thousands in the wool, flax and silk trade. The manufacturing industry also changes radically the existing settlement pattern. Four-fifths of the population of 17-century Britain lived in villages; this was changed when the cotton mills grew into urban manufacturing industries. "Lancashire, the birthplace and centre of the cotton industry, was thoroughly revolutionized; from a remote, poorly cultivated, swampy region it was turned into a busy, industrious county, the population grew tenfold in eighty years, and, as if by magic, big towns were created such as Liverpool and Manchester with a total of 700 000 inhabitants, and the border towns Bolton (60 000), Rochdale (75 000), Oldham (50 000), Preston (60 000), Achton and Stalybridge (40 000), and many other in-

dustrial towns."[42] In three decades (from 1800 to 1831) the cotton industry doubled the inhabitants of the towns of West Riding (Bradford, Halifax, Leeds, etc.).[43] In Glasgow, the centre of the Scottish cotton region, the number of inhabitants grew from 30 000 to 300 000 till 1834,[44] etc. The towns of the textile district of New England (USA) grew at a similar rate, e.g. Lowell, Nashua, Fall River, Manchester, Paterson, etc.[45] Such a rapid urban development was seen in every country where the textile industry forged ahead. In France, for example, the small communities in the vicinity of Lille, Rouen and Lyons grew into important towns, such as St. Etienne, Tarare, Epernay, Amiens, Roubaix, Peronne, Valenciennes, etc. Not to speak of the Alsatian textile towns which changed their national status between France and Germany several times. In Belgium, near Gent, towns grew as a result of the developing textile industry, e.g. Verviers, Limbourg, Aix-la-Chapelle,[46] which in part also became German territory. All this shows that the textile industry turns great masses of peasants into factory workers. The largest group of industrial workers – 33% – was employed in the textile branch in Germany in 1882 (910 thousand workers);[47] this was followed by half as many workers of mining and metallurgy, and the entire branch of heavy industries employed a total of 828 thousand workers at that time. Although the bigger labour force of the textile industry resulted from a relative technical backwardness if compared to the heavy industries, it was still these numbers that defined the important role of the textile industry in giving rise to the modern working class, the industrial population.[48]

All this development involved a tremendous expansion of the home industrial market, the textile market first of all. While at the time of the peasant homecrafts, only part of the population was buying textiles from the peasants, and the peasant artisans remained self-supporting as to textiles, the entire population (including the textile workers) was now buying clothes on the national market. And by that time the demands were much more refined than formerly at the time of low living standards. "Indeed" writes Marx, "the events that turned the small peasants into wage-workers, and made their tools and means of subsistence the material components of capital, at the same time created the home market for the latter". And, naturally, only "the annihilation of rural homecrafts can make the domestic market of any country so big and stable as is required by the capitalist manner of production".[49] Marx also says – what is other-wise evident from the reference to rural crafts – that this is essentially an immense increase in textile consumption: "Capital quickly forms a domestic market for itself by annihilating all rural secondary industries, i.e. by spinning, weaving, making clothes for everybody. .".[50] Textiles, especially cotton fabric, were in the greatest demand of the masses in the 19th century all over the world, including the backward countries. "It is the cotton industry that made the most spectacular and extensive progress in the 19th century. This produces the most important commodity, and is of the greatest importance to the living and earning conditions of the peoples" writes an economic work of that time.[51]

It is therefore that a historiographer of the Belgian industry wrote: "... there was no need for travelling agents to sell goods – the customers engaged agents to get some of the products of the Gand factories, at the price of gold if need be".[52] A Hungarian economist of that age writes: "... Not as to quality, but as to volume, the world industry's most important activity is the manufacturing of various types of cloth. This, ... satisfies the widest of demands. And in its various stages, it can employ the largest number of workers in the various connected industries."[53] *The first half of the 19th century – up to the 70's – is indeed the era of the leading role of the textile industry.* At that time the textile factories were in the front line, both in production and trading on the market; although the exportation of textiles is considerable from many western capitalist countries (especially England), the majority of the independent capitalist countries still produces for the home market. This is the case with the American industry, which was able to meet only 83% of home demands up to the 60's.[54] The buyers of Russia's textiles were the Asian territories undergoing capitalist development, and not other countries.[55] Also the Central European countries protected their textile industries instead of competing with their products on the world market. This era represented essentially the upward phase of capitalism which preceded imperialism. Still, as we shall see, it was at this time that capitalism prepared the next, imperialist, stage *through the textile industry* both on the home and foreign markets.

Over and above all the favourable features of the textile industry – big labour force and a wide market – there is a *high labour intensity* following from the inherent technical features of the branch. Processing requires considerable industrial work, i.e. many workers must be employed to turn raw material into finished cotton fabric, wool cloth, linen or silk. The more labour-intensive an industrial branch is, the more values it produces than agriculture – turning out raw material – or than the extractive industries (mining). *The ratio between these is the ratio between their importance or accumulation.* The greater the labour intensity of the textile industry, the more *workers* must be employed in manufactory production; or the more *machines* must be installed to replace workers in factory production. There are calculations that in the 60's of the 18th century England produced with machines as many textiles as would have been produced by 91 380 000 workers with the manual methods of 1770 prior to mechanization.[56] The volume of textiles produced by such an immense – though imaginary – labour force results in an immeasurable enrichment of the English textile manufacturers also if exploitation during mechanized production "only" affects the two million workers actually operating the machines, (although the extra-profit and forced unfair barter in the competition on home and foreign markets raised this amount several times). Adam Smith, analyzing the labour intensity of the industry at the given standards of manufactory production held it to be of high significance in respect of the size of labour force and the extent of capital profit. "The more intense processing some commodity

is going through" he writes,[57] "the greater will be the share from its price falling on wages and profits than the share falling on the rent. Not only the number of profits grow in the course of processing, but each successive profit will be greater than the preceding one, because the capital from which it originates must be greater and greater. The capital which employs e.g. the weavers, is by necessity greater than the one which employs the spinners, because it must not only refind the latter together with the profits, but must in addition pay the wages of the weavers, and the profit must always be in proportion to the capital". Smith's conclusion that profits must always be in proportion to the capital is true in the case of manual work (manufactory production), but in the case of mechanized work this takes place only after the average rate of profit has come about. But this is realized only in part at the time of the textile-industrial revolution. In any case, it is true also with mechanized production that the more labour intensive production is, the greater is *either* the labour force employed (and exploitation), *or* the investment in machinery (and capitalist stimulation to realize the average profit); thus, essentially – although not at an unchanged proportion – *capitalist profit increases with it.*

Yet the degree of labour intensity is not determined once for all, not even in the same industrial branch. Together with technological progress, improvement of working methods, it shows a downward trend. Thus it is not indifferent which country and period is covered by our studies. For example, the following indices apply to the British cotton industry in the 1860's: the annual production value of the branch was 52 million pounds sterling, of which 18.7 million fall on raw material value;[58] thus value increase through industrial work is 33.3 million pounds, i.e. 178% of the raw material value. The labour intensity of the cotton industry was somewhat higher in Central Europe at that time; in the Austrian and Bohemian provinces of the Hapsburg monarchy the value increase by industrial work was 200% according to our calculations if compared to the price of raw cotton as 100%.[59] This means that the surplus value attainable by the textile manufacturer capitalists is at least 1.7 to 2 times higher than what the agrarian capitalist is able to obtain. We shall also see how much higher the labour intensity of the textile industry is than, say, that of the agricultural industries.

Another asset of the textile industry was that – compared to agriculture, even to other industries – *the circulation and turnover of the capital was in that period the quickest in this branch.* Namely textile production is continuous, as contrasted to agriculture and agricultural industries (sugar, mills, etc.) where the actual working time is only some months in the year; or contrasted to the machine industry where production is intermittent (the process is closed only if the whole machine unit is completed, e.g. in the case of a steam engine, or a seagoing vessel, this takes considerable time). The textile industry produces *continuously*, and when a roll of cloth is finished it can be marketed at once, and this can go on all the year through. There is no unnecessary idle time, capital is active incessantly, the rate of return is only a few weeks. Hence the same volume

of capital which returns in agriculture or agricultural industries once a year, can do so in the textile industry as often as 8 times or more in a year, depending on how near the market is, or how modern transport is which takes the products to foreign markets, which practically amounts to an eightfold etc. increase of the same volume of capital. And this results as a matter of course in a multiplication of profits which we have rated as double when we considered labour intensity.

Thus the profit of textile-industrial capital and the resulting accumulation is much higher – owing to a special position and production technique – than in the case of capital invested in agriculture or other industries. But the industrial revolution has put this branch in a disadvantageous position in one respect: and this is the amount of capital required for the given amount of values produced. *In this period the textile-industrial capital was the one of the highest organic composition*, i.e. the proportion of machine investments was the highest in it, and consequently the amount of wages was the lowest. And this is natural because the proportion of employed workers was relatively the lowest in this intensely mechanized branch of industry. And this means according to both classical and Marxian political economics that owing to the relatively low number of workers the amount of work provided by them, the amount of new values created by them, was relatively low. (As is commonly known, machines and means of production in general, only transfer the value incorporated in them to the goods produced, but do not create new values.) Hence in the mechanized textile industry, the capitalist profit ought to be relatively low pursuant to the law of value if compared to the total amount of capital invested. Well, but "grey are all theories, and green is the golden tree of life". For the capitalist order of production this contradiction did not become an obstacle to the industrial revolution because it is not a fundamental contradiction, because it belongs to the field of differences within the capitalist class. And this was resolved by the power relations. *At a time when the textile industry is the leading branch, the industrialists always find means and ways to get in exchange for their products a greater value than the real value of these products.* This was served first of all by the *protective tariffs* which – by the redistribution of the national income – yielded greater capitalist profits to the textile industry to the disadvantage of the other capitalists. Similarly to this, a new phenomenon emerged in capitalist economic life as a consequence of the textile-industrial revolution; it was the average rate of profit which brings about a redistribution of the total amount of capitalist profit, and again to the advantage of textile-industrial capital, to the disadvantage of other capital of lower organic composition. With its immense amount – bigger than any others – the textile capital was anyway an incessant menace to the other industrial branches in that it was likely to flow over – in case of unfavourable profit trends – to more promising fields and create a murderous competition to the "indigenous" capital there. This menace is eliminated by the average rate of profit in such a way that capital of lower organic composition gives up part of its profits to the advantage of the

textile capital of higher organization, *until all types of organic capital, in all industrial branches, get profits in proportion to the volume, i.e. get an average profit.* "... competition creates the average rate of profit" writes Engels,[60] "by making emigrate capital from industrial branches where profits are below average to branches with profits above average". At this time the barter of goods on the market takes place no longer at their value, but at the price of production fixed with regard to the average rate of profit. *But this development took place slowly, gradually in the course of capitalist progress, along with the growth of the industrial revolution.*

A considerable proportion of the costs of the industrial revolution had to be borne by capital of lower organization. *This made it possible that new, secondary accumulation of capital took place in the course of increasing factory production of textiles in this industrial branch.*

All these factors had the combined effect that in the capitalist era under survey *the most important volumes of capital flowed toward the textile industry,* giving prominence to it among the other production and industrial branches of the national economy. *The industrial branch which has available the biggest capital, the largest labour force, and the broadest markets of consumers* – and the textile industry was in the front of these three – inevitably *plays the leading role in the national economy.* And when as a result of the industrial revolution the textile industry ascended to the stage of a manufacturing industry, this leading role became still more emphatic.

In the first half of the 19th century – up to the 70's – the textile industry, escpecially the cotton industry, was the leading branch of the entire capitalist world economy.[61] Particularly in the capitalist countries, but to no smaller extent in backward countries as we shall see its effects. According to Friedrich List, "the industrial and commercial prominence of *Britain* is to be found mainly in sheep-breeding and wool manufacturing".[62] At the end of the 18th and the beginning of the 19th century this leading role was assumed by the other branch, the cotton industry, "which at present employs the greater part of the industrial population".[63] Also as concerns the three criteria of capitalist development listed by Engels – elimination of manual labour, high degree of division of labour, and the degree of machine investments – "the cotton-processing industry was leading all other branches from the outset, and is still leading" (in 1845, Gy. T.)[64] According to statistics of Queen, the industrial production of Britain was as follows in 1839:[65]

annual production of cotton industry	52.5 m pounds st.
annual production of broad-cloth industry	44.5 m pounds st.
annual production of flax industry	15.2 m pounds st.
annual production of silk industry	13.5 m pounds st.
textile industry total	125.7 million pounds
all industries total	259.5 million pounds

Hence in Britain the textile industry amounted to 48.4% of the total industrial production in 1839, which is a *leading role* indeed. And the British industry is not unique in this respect, although the textile industry there stands high above the similar branches in other capitalist countries of that time.

In the early 19th century, the *United States of America*, for example, was just starting on the road to independent capitalist development – it was still more or less a colony in the economic respect – and already the textile industry became the principal field of industrial production. The industrial capital of the US was at that time estimated to be 100 million dollars of which some 40 were invested in the cotton, some 12 million in the woollen industry,[66] more than half the total. Up to the 1860's the American industrial revolution affected *mostly the textile industry*,[67] which grew rapidly and was leading till the Civil War. By 1850 the total production of the cotton industry was estimated at 113 million dollars[68] and there was no other branch to compete with this figure. Industrial development was similar in *France*. Manufacturing industries grew at a lively rate during the First Empire as a result of the industrial revolution; growth was rapid, although it was far behind that of England. According to Moreau de Jonnès the net production values of the French textile industry were as follows:[69]

	in 1812	in 1850
	million francs	
annual production wood industry	238	445
annual production cotton industry	176	334
annual production silk industry	107	356
annual production flax and hemp industry	195	351
textile industry total	716	1486
all industries total	·	3037

Thus the French textile industry – like in the other countries – was prominent in total production. It accounted in 1850 for 49% of the country's total industrial production, hardly being below the total production value of all other branches. Also in *Germany* the textile industry *was leading* in the 19th century. As late as 1896 it was still leading with an annual production of 2.2 thousand million marks,[70] which, true, was only 15,6% of total industrial output, but even so the second greatest branch – heavy industries – produced only 15.0%. (The food industry was ahead of the textile industry only as to gross production value, in net value it was behind it.)

Just as these four leading capitalist nations, the other *independent* ones began to develop with the leading role of the textile industry. Also in *Austria* and *Bohemia* of the 19th-century Hapsburg monarchy, the textile industry – cotton first of all – was "the most widespread branch, which produced the greatest values and employed large numbers of workers."[71] The rapid growth of the cotton industry appears from the growing

amounts of cotton imported: in 1828 the customs weight of imported cotton was 7.3 million pounds, and some three decades after it was 76.8 million,[72] which is an increase more than tenfold. Production of the cotton industry in *Russia* grew between 1850 and 1880 from a value of 29 million roubles[73] to 200 million[74], i.e. sevenfold. The textile industry was leading also in *Italy*, but here the leading branch was silk[75] which grew especially after the Risorgimento. In 1860 the silk production of the entire world economy was estimated at 1 thousand million francs, of which Italy produced 281 million, standing thereby second to China whose production was estimated at 425 million.[76] Also *Japan*'s greatest exporting branch was silk, representing a value of 22.9 million marks in 1868 – 70, and 45.8 million in 1879,[77] which is an increase of 100% in less than one decade. *Thus the textile manufacturing industry became the leading industrial branch in all countries of Europe, America and Asia which underwent independent capitalist development;* and this followed from the antecedents as a matter of necessity.

And because the textile industry was leading in mechanization at that time, *was the producer of the largest masses of commodities,* and here is the *getting back of capital* the swiftest and finally in the modern economian development this *was the most labourintensive, no other industrial branch was able to attain that rate of capital accumulation as appeared in the textile industry in the first stage of capitalist development. As a consequence of all this, the textile industry became the principal field of national capital accumulation, the number one source of producing the national income.*

In the following we give a few typical examples for the *accumulation of capital in the textile industry.* Owing to the incompleteness of early statistics, this is not possible on the national scale, so we must use indirect data in the absence of direct ones. It ought to be noted that the accumulation of capital (especially in England, but not only there) took place not only on domestic markets, but also on foreign ones to a considerable extent, and these two sources cannot be considered separately. The foreign trade aspects of the textile industry will be discussed in the next part.

In the "capital of the world's cotton industry", in Lancashire and the surroundings, 1900 spinneries and weaving mills were operating in the 1870's. Tremendous production values (machinery, buildings, equipment, raw material, money, etc.) were accumulated here and estimated altogether at 57.5 million pounds sterling.[78] On the average, 30 thousand pounds sterling were the capital for one factory; clearly, this average figure tells us not much, because one would tend to think that masses of medium and small units are involved. But in reality the capital was not at all evenly distributed among the companies. A survey of 1500 companies revealed the following:[79]

capital of	6 cotton factories over	1 000 000 pounds st.
capital of	12 cotton factories over	500 000 pounds st.
capital of	26 cotton factories over	200 000 pounds st.
capital of	50 cotton factories over	100 000 pounds st.

capital of 72 cotton factories over 75 000 pounds st.
capital of 101 cotton factories over 50 000 pounds st.
capital of 1233 cotton factories below 50 000 pounds st.

Thus in reality there are a few dozens of big factories, some hundred medium, and more than thousand small factories, to form that industrial power which was embodied in the 1870's in Lancashire for the British and the world economy. It admits of no doubt, however, that *actual big power in this grouping was represented by the big cotton mills of million or half a million capital.*

Some information on accumulation in entire Great Britain can be derived from the data of raw material consumption. Importation of cotton from the last decades of the 18th century to the 60's of the 19th showed the following growth:[80]

Year	weight m. pounds	increase m.pounds	%	3-year moving average of % grotwh
1781	5	–	–	–
1786	19.5	14.5	290	–
1800	56	36.5	187	204
1810	132	76	136	113
1820	152	20	15	74
1830	260	108	71	72
1840	593	133	128	70
1850	686	73	12	83
1860	1435	749	109	–

While total *cotton imports grew 287-fold*, the rates of growth over certain shorter phases were most varied. Britain, as the leading capitalist nation, was highly exposed to both domestic and world economic crises (e.g. in 1825, 1847, 1857 and 1866) and this is reflected in the fluctuation of the data on cotton imports, processing, and – last not least – on accumulation. We use the 3-year moving averages to give a clear picture of of the overall trend. Thus it appears that growth was lasting but not at all even. And the moving averages point out the fact that *the percental growth of the cotton trade reveals a downward, and not an upward trend.* Naturally, the rate of growth was higher at the beginning when this industrial branch was small. But the declining rates of growth appearing in figures take us to other spheres, which we shall discuss later.

The number of mechanical spindles used in the cotton industry is also characteristic of the accumulation of capital. In the third quarter of the 19th century – at the peak of development – increase was still considerable:[81]

1850 stock of spindles 21 million
1860 stock of spindles 29 million (34% increase)
1870 stock of spindles 34 million (17% increase)
1877 stock of spindles 39.5 million (15% increase)

Regarded as an absolute figure, the number of spindles grew by 18.5 million, almost twofold, but the rate of growth was diminishing here, too.

Or let us have a look at the accumulation of capital in the textile industry of the US. 51 million dollars had been invested in the cotton industry by 1840, and this figure was 98 in 1860,[82] which was a doubling of capital within two decades. The growth of cotton consumption in the US during three decades after 1830 was as follows:[83]

1830	150 000 bales	
1845 – 50	300 000 bales	increase 100%
1850 – 54	600 000 bales	increase 100%
1855 – 60	800 000 bales	increase 33%

The number of spindles used in the US cotton industry:[84]

1831	1.2 million	
1860	5.2 million	increase 334%
1877	10.0 million	increase 92.4%

The textile industry of the European continent was similarly rapidly developing, and made possible similarly considerable accumulation of capital. The cotton consumption in France grew from 1850 to 1865 from 59 million kg to 110 million (by 86.5%), wool consumption was 24 million kg between 1850 and 54, and 56 million (133% increase) between 1860 and 64.[85] Germany's cotton imports amounted to 46 million kg between 1856 and 60, and to 201 million kg between 1886 and 90,[86] which is an increase of 336% in three decades. The cotton consumption of the Hapsburg monarchy was 16.1 million customs pounds in 1833 (8.05 million kg), and rose to 61.6 million customs pounds (by 283%) in 1854.[87]

The power relations between Great Britain, the European continent and the US in respect of cotton industries – and therefore also more or less in respect of national economies – may be characterized by the number of cotton spindles:[88]

	1860	1877	% growth between 1860 – 77
	million sp.		
Great Britain	29.0	39.5	36.1
European continent	13.3	19.6	47.4
US	5.2	10.0	92.4

Engels, who himself was a textile manufacturer, was familiar with the situation of the German and British textile industry, and in a letter of 1890 he characterized the average rate of profit attainable in the textile industry like this: "... in the British, French and German textile factories the profit is nowadays ... 10, 15, or at most 20%, and in the very rare years of prosperity a profit of 25 – 30% is regarded here as *very good*. In the childhood of modern industry, (higher rates – T. Gy.) of profit

can be ensured only by factories where the latest and best type of machinery is working . . .".[89] Thus we may draw the conclusion from the absolute figures of accumulation and from the percental rate of capital profit alike that the growth of the capitalist textile industry – we might as well say its virulence – is the strongest in the first period of capitalism; but as progress takes its course, this momentum shows a downward trend.

This phenomenon is remarkable in itself because it tells of the decelerating tendency in the development of capitalism. But in order to avoid any misunderstanding it must be kept in mind that this slowingdown tendency is accompanied by the expansion of production, because a minor growth of a greater mass of means of production has a much greater result in absolute figures than are the production results of a more rapid growth of means of production of a lower total amount. Hence what is decreasing here is the rate of growth; and what is growing is production itself. Bigger accumulation of capital with lower production is nothing else but the sum total of the robbing, exploiting activities of the beginnings of capitalism enforced with the most brutal and barbarous means. The tendency of further development is the gradual domination of "regular" exploitation by economic means, and the pushing into the background of extra-economic, "unlawful" measures (although it follows from the essence of capitalism that the role of extra-economic means continues to be important also later on).

Be that as it may, the decrease of the growth rate of capitalist textile industries is still a remarkable phenomenon in an era where the textile industry was leading: it indicates that its prominence as the decisive factor in the capitalist economy is now on the decline. At this point this is not yet its falling back to a secondary role in the accumulation of capital – it only forecasts the coming of this event in the not too distant future. The 1870's are the beginning of a rapid development of the heavy industries – iron and machine industry first of all – which then ascend to the leading role in the age of imperialism. As we shall see, the capital accumulated in the textile industry is actively involved in this development; and by flowing over to the heavy industries, it increased the rate of growth there abruptly, while this resulted in a decrease in the textile industry.

The Table showing the rates of growth in the three major areas of production in 1860 and 1877, also reveals that these rates are very different even in the same periods. The growth rate is the highest in the US (92.4%), lower in the countries of the European continent (47.4%), and lowest in Great Britain (36.1%), while textile production is the highest in the world in this insular country, major on the European continent, and lowest in the US. This appears also from the number of spindles used. *Hence what is hidden behind these different rates of textile development is actually the differenct levels of capitalist development proper, or, concretely, the three developmental stages of free-competition capitalism.* In any case, the textile-industrial results manifest in the accumulation of capital are still in the front in all the three areas (and these represent the leading economies of this age in respect of commodity production increase). And

although the figures foretell coming changes also here, textile is still the leading industrial branch in the entire world of capitalism. And the most remarkable fact for the purpose of this study is that the textile industry continues to be decisive in the emergence of a *capitalist world economy as well.*

It is a well known contradiction of capitalism that there is on the one hand a tremendous *increase* of production, and, on the other, a *holding back* of the living standards of the great masses of consumers, the workers and peasants. The increase in the mass of products, and the consumption capacity of the masses usually form *scissors*, even if this capacity does *not* decrease by *absolute* figures in certain countries. This phenomenon was defined by Engels as capitalism destroying its own domestic market. We know the manifestations, the *crises of overproduction*, which are the nodes of these contradictions developing at given times. And when the *commodities cannot be sold on the home market, the bourgeoisie considers the foreign markets, foreign trade, as the "solution" of this contradiction.* Yet in reality foreign trade solves nothing, it moreover expands the field in which this contradiction unfolds. That this problem assumes similar features in respect of the textile industry, the subject of our study, is obvious. Moreover, *it is valid first of all in the case of this leading branch.*

The same causative factors which made the textile industry the leading branch in independently developing capitalist countries, explain why *the capitalist world market has emerged as a textile market first of all.* The capitalist world economy has developed in terms of textile. The correlation between the internal development of leading capitalist countries and the nature of the world economy shaped by them is evident. The wealthy politico-military big powers, which influenced the international division of labour according to the supply and demand on their own home markets, protected first of all the interests of their leading branch, the textile industry, as a matter of course. *They wanted to find buyer's markets for their textile products in the countries subjected to their rule, and wanted to get textile raw materials there.* And because the cotton industry was leading among the textile branches – and cotton was usually not grown in the countries of the temperate zone – world trade was concentrated on the raw produce, semi-finished and finished goods of the cotton industry. (The United States of America, the chief cotton supplier of the world, was up to 1860 mentioned as the "cotton colony of Britain".) It is therefore that the historian of world trade wrote in the 60's of the 19th century that "there is no other article which could be nearly as important for trade as is cotton. The prominent position of this article in world trade has consolidated at the end of the 18th century. . .".[90] The leading position of the textile industry in the 19th century is reflected in the statistics of the turn of the century, although this prominence was gradually eclipsed by the heavy industries from the 70's. Still, the per cent of textiles in the world trade of finished goods was still the highest of the three principal groups of industry:[91]

	1899	1913
	per cent ratio	
Textiles and clothes	40.4	35.1
Heavy industry	38.9	46.2
Other (chiefly food industry)	20.7	18.7
Total	100.0	100.0

Thus the finished goods of the heavy industries assumed the leading role over textiles in the first decade of the 20th century.

It was first of all Great Britain, the "world's workshop", that insisted on the expansion of foreign trade: at the end of the 18th and in the first third of the 19th century, the insular country was chiefly a textile "workshop", the "central factory" supplying the countries involved in world trade with textiles. Britain's capitalist production – says Hilferding – was "incomparably more elastic and expansive" than that of other European countries of that age, and as a result "very promptly satisfied and surpassed the demands of newly explored markets, and the reaction was overproduction in textiles ... Otherwise the textile industry tried to expand extremely rapidly."[92] At the close of the second decade of the 19th century (1819–1821) 66.6%, i.t. two-thirds, of the products of the British cotton industry went on foreign markets. This ratio continued to grow up to the middle of the century: while the mass of products grew almost 4 times and a half, the portion exported grew to 71.4% i.e. almost three-quarters of the entire production volume.[93] Thus the British textile industry is the result of a particular production policy: it was based on the effort to produce *instead* of as many other countries as possible, but also to accumulate industrial capital *instead* of the bourgeoisie of as many countries as possible; it was based on the effort to build up the industry in its own economy *instead* of as many other countries as possible, and at the same time to ensure the highest national income in its own territory and not in others. This is a strange "division of labour" originating in that fundamental division of labour according to which Great Britain is the "world's workshop" and the other countries are the "agricultural raw material suppliers" gathering round it.

This was the state of affairs against which the bourgeoisie of independently developing capitalist countries protested with increasing vigour in the 19th century. It was therefore that the vulgarmaterialist Henry Charles Carey representing the national bourgeoisie went beyond the American Alexander Hamilton's "industrial educative tariffs" by demanding higher protective tariff rates; that the educative tariffs of the French vulgar Jean Baptiste Say grew into the complete prohibitive customs of Napoleon's "Continental System"; that Friedrich List's demand for protective tariffs crowned all earlier drafts of the German bourgeoisie in the middle of the 19th century; and so forth. Even such a relatively backward country as Australia produced its protective-tariff ideologist in the person of Syme. All this was to counterbalance the effects of British textile exports. As Wilhelm Roscher termed it, protective tariffs are the

economic war of all countries against all others. Yet this is overgeneralization; in reality, here every country was fighting with protective tariffs the one that was stronger, and because the strongest country was Great Britain, the protective tariffs of the early 19th century were all directed against it. As List said in the early 40's: "Today England produces cotton and silk in the value of 70 million pounds sterling, supplies all of Europe, the entire world ... And what did those profit who purchased these goods so inexpensively? The British profited strength, immeasurable strength; the rest profited the opposite of strength".[94]

As a result of the protective tariffs, British cotton was increasingly ousted from the European continent. And because Britain had vital stakes in maintaining the total volume of exports,[95] it tried to capture new markets. The export pattern of British cotton changed substantially as a result:[96]

Cotton export markets	1820	1850
	in export of cotton %	
European countries	51	16
America, Australia	40	40
Asia, Africa	9	44
Total	100	100

Thus Great Britain compensated decreasing European exports by enforcing the free importation of cotton textiles to economically backward continents, Asia first of all, to which 31% of exports were shifted. Anyway, "Britain is exporting to the overseas countries more than the entire continent together" concluded Marx in the early 50's.[97] Thus it became evident that the textile exports of the capitalist countries could take place only in opposition to Great Britain, by conquering from it in part at least the British textile export markets. And these were first of all markets in Asia, Africa and Latin America.

Competition in the textile industry is gradually taking shape on the world market in the second half of the 19th century, and is manifest first of all in a rivalry between Great Britain and the other capitalist states. In the beginning this trend is developing slowly because of a still tremendous quantitative difference. Here is a comparison of the textile exports of some western countries, in 1860:[98]

Textile exporters	% ratio of exports
Great Britain	67.6
France	26.8
Belgium	3.3
USA[99]	2.3
Total	100.0

Thus Great Britain accounts for two-thirds of the exports of the leading capitalist countries in the 60's of the 19th century. France for somewhat over one-fourth, and America and Belgium for the rest. These latter two –

and Germany not shown here – soon became serious rivals of Britain in the heavy industries.

The textile-industrial competition on the world market is not homogeneous. The leading branch *for Great Britain is cotton,* while *for France it is silk,* and this further complicated the competition pattern. Here are the distribution ratios:[100]

Textile exporters	Cotton	Wool	Flax	Silk
		% distribution		
Britain	90.4	63.4	76.0	10.5
France	4.7	28.7	6.5	89.5
Belgium	0.9	6.6	17.5	–
USA	4.0	1.3	–	–
Total	100.0	100.0	100.0	100.0

It appears, then, that in the cotton industry Britain has no real rival – but it has one in silk. And although these two textile branches do not compete directly, they nevertheless determine the territories for which the capitalist states strive as markets.

The textile foreign trade of France – mainly in silk – developed to a considerable extent chiefly with the Levant, with Turkey and Syria first of all; this was the case also with the Far East, e.g. China, Japan, etc., which France supplied with silk cloth, woollen cloth and flax cloth. To Turkey and Asia Minor, France delivered textiles in the value of 144.7 million francs in 1861, and this figure was 234.2 million in 1876. At the same time the trade with Egypt grew from 48 to 94.1 million francs, in the Far East from annual 6 to 91.8 million with China alone, and with Japan to 21.7 million francs,[101] half of the goods being the aforesaid textiles.[102] From the middle of the 1850's, also the US traded at a growing rate with the Far East, and on an increasing scale with Latin America.[103] Trade with these countries was not too important up to the last decades of the century, but was a period of preparing for the later competition which greatly affected Britain's foreign trade interests. US exports of cotton culminated in the 1870's, at least as concerns value and the share in total exports; the exported cotton value of the US was 71.98 million dollars in 1850, and this sum grew to 191.8 million by 1860, and to 227 million by 1870. But on the average of the 1875–79 period, the value of exported raw cotton was only 179.3 million.[104] The US was not chiefly competing with Britain in the cotton industry, although it did it also in this field; but other countries became menacing competitors exactly in this field. Such was Russia in the second half of the 19th century, not primarily with the volume of production, but rather with its presence in Asia. Broadcloth and cotton cloth trade between Russia and China was considerable already in the first half of the century, and sometimes amounted to 15% of Russia's all customs revenues.[105] The clash of interests became acute between Britain and Russia in the 1830–40's during the struggle for the textile markets of Turkey and Persia.[106] The flow of Russian textile to Central Asia grew abruptly in the second half of the century, and ex-

ports grew 12 and half times between 1758 and 1853.[107] At the same time Britain ousted Russian textiles from China more and more,[108] and this trade struggle was the immediate antecedent of the British – Russian differences in the Far East. At the end of the 19th century Japan, taking a growingly independent course of development, appeared on the scene as a new rival not only in silk, but also in the delivery of cotton cloth. And the German textile industry emerged as a competitor late in the 19th century. *It appears, then, that competition in the textile industry was a field where the clashes of interests of the leading capitalist nations became particularly acute.* But even so, the competition in the textile industry was only the beginning of differences which had the roots in the efforts to conquer markets and which sharpened rapidly at the end of the 19th century. This classical stage of capitalism characterized by the leading economic position of the textile industry, was only the *overture* to this course of development which reached its climax in the stage of imperialism later on.

Marx points out the importance of foreign trade in a capitalist society, which role is manifest increasingly. "Capital invested in foreign trade can yield higher rates of profit because here such capital competes with commodities turned out by other countries in less favourable circumstances of production, so that the more advanced country sells its commodities above price even if it actually sells cheaper than the countries competing with it ... The country in a more favourable position gets more work in return for less work although this difference, this surplus is being pocketed by a certain class, just as in case of exchange between work and capital."[109] The bourgeois apostles of free trade advocate the contrary – led by the textile big industrialists of Manchester – and try to convince their trade partners thrown at their mercy as markets that this is mutually advantageous for both nations taking part in this trading. "If the free-traders fail to understand how a country can get richer to the disadvantage of another" writes Marx, "this is no wonder because these gentlemen do not want to understand how a class can grow rich to the disadvantage of another within the same country".[110] *The exportation of textiles by the capitalists of highly industrialized countries to backward countries is nothing else but the worst form of international capitalist exploitation of that time. These chapters of classical capitalism are the most immediate preparatory events for spreading imperialism and colonization all over the globe, and for unfolding the contradictions of the capitalist manner of production on a world-wide scale.*

NOTES

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